Perspectives and Updates on
Health Care Information Technology

HIT Perspectives

About the newsletter

HIT Perspectives is published by Point-of-Care Partners. Individuals at the leading management consulting firm assist healthcare organizations in the evaluation, development and implementation of winning health information management strategies in a rapidly evolving electronic world. The team of accomplished healthcare consultants, core services and methodologies are focused on positioning organizations for success in the integrated, data-driven world of value-based care.

Upcoming Speaking Engagements

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1 Part 1: Taking Electronic Prior Authorization to the Next Level

By Michael Burger, Senior Consultant

An increasing number of medications require preapproval—or prior authorization (PA) — from payers before they can be dispensed. This traditionally has been a cumbersome, time-consuming and frustrating manual administrative process. The reason: PA was based on numerous phone calls and faxes — plus the exchange of lots of paper — among physicians, pharmacies and payers. Recognizing that there has to be a better way, the electronic prescribing (ePrescribing) industry developed an electronic prior authorization (ePA) standard to be incorporated into the electronic health record (EHR) work flows of physicians, pharmacies and payers. The standards development work came to fruition a couple of years ago.

As a result, the issue isn't about the standard as much anymore. Rather, the discussion is about adoption. What will it take to move the ePA adoption needle forward?

The business case. The business case for ePA seems pretty clear. According to data from CoverMyMeds, PA volume is increasing 20% each year. This is due to the rising number of chronically ill and elderly coupled with increased availability of very expensive drugs. These include many new specialty medications, nearly all of which require PA.

There are significant administrative costs associated with manual PA processing, which can be mitigated by computerized processing. According to a recent article in Health Affairs, physicians spend the better part of $37 billion annually ($83,000 per doctor) thrashing out PA and formulary issues with payers. According to another estimate, doctors spend 868.4 million hours on PA each year — not counting the time devoted by other staff members.

Handling PA requests also represents an equal administrative burden on pharmacies and payers, which similarly translates into time and money.

ePA reduces the time spent on each PA. According to a survey by the American Medical Association, most physicians experience a delay in excess of a week for their PA request to be processed. In contrast, ePAs often can be processed within hours when payers are equipped to electronically accept and process PA requests as well as return real-time responses.

Perhaps most importantly, the difficulties inherent in trying to obtain a PA significantly affect patient care and safety. As conveyed in the ePA National Adoption Scorecard, nearly 40% of PA requests (roughly 75 million) annually are abandoned due to complex procedures and policies and the hassle factor. Moreover, nearly 70% of patients encountering paper-based PA requests do not receive what was originally prescribed. This additionally has implications for pharmaceutical brand teams.

Barriers to adoption. While health care is moving steadily toward ePA adoption, there are barriers.

For example, about 80% of physician offices have adopted EHRs enabled for ePrescribing. However, not all EHRs are enabled for ePA. According to a survey by CoverMyMeds, 79% of EHR vendors (but only half of the top 15 companies) are committed to ePA. About half overall have gone live with the transaction, but only a third of the top 15.

One challenge is that payer information about PA is not always accurate or complete in EHRs. For example, there are inconsistencies in the formulary and benefit files that are critical to determining whether PA is needed by a payer for a specific drug for a particular patient. As a result, EHRs can't display an indicator that PA is necessary. When the prescriber unknowingly orders a medication that requires PA, a manual process ensues instead of an electronic transaction as part of the ePrescribing process.

Forward progress. In an attempt at automation, many payers offer websites and portals that provide information about the company's PA requirements and can be a way to submit the PA request. To use these portals, physicians must look up the website for each payer and consult it each time PA is needed. Because these portals are not connected to the physician's EHR, information must be transcribed manually from the EHR to the payer's portal. This is yet another major drag on expenses and administrative overhead. We also have heard reports that there is no way to ensure that ePA requests are processed successfully via portals and there rarely is a mechanism for follow-up.

States have begun to address ePA, but it's a hodgepodge of laws and regulations. For example, states are taking varied and specific approaches to defining and solving the PA challenge, which may include standardizing paper PA forms and mandating ePA. It's an evolving landscape that is a pain point for vendors, physicians and pharmacies.

The promise of ePA as part of the EHR ePrescribing work flow is that prescribers will see that PA is required prospectively — that is, at the time that the prescription is written. The prescriber will also know which questions need to be answered before the prescription is sent to the pharmacy. In many cases, the information needed is already documented in the EHR. The few remaining questions will need to be answered by data entry. The bottom line is that the need for data entry is significantly reduced.

Taking ePA to the next level. So, what will it take to move the ePA adoption needle? Here are a few thoughts.

- Physicians should be educated that ePA exists and know the particulars about its availability in their EHR. This is especially true in value-based care organizations, whose use of ePA could help them meet cost and quality targets.
- Physicians should use the ePA functionality that is available, even if it is not fully integrated. Payers may hesitate to invest in new ePA technologies if they don't see adoption of the basic tools available today. Adoption = interest = investment.
- With that in mind, vendors should understand that ePA adoption is on the rise—and should snowball as physicians see the benefits. CoverMyMeds points to one health plan, in which more than two-thirds of its prescribers adopted the company's ePA solution since the beginning of this year. What's more, ePA resulted in a 39% increase in autoapprovals and a 40% decrease in PA reviews.
- Payers should conduct outreach to vendors regarding their ability to handle ePA. According to a survey by CoverMyMeds, some 9 out of 10 payers have committed to ePA and two-thirds are live. This will resonate with vendors, who build to suit customer demand.
- Physicians also should request that their EHR vendors integrate ePA. Vendors are responsive to users' expressed needs, and this demand will stimulate activity.
- Some use cases for the National Council for Prescription Drug Programs' ePA standard still need to be developed to the maturity level of prospective ePA between the provider and pharmacy benefit manager. Examples include pharmacy-to-payer transactions and those to support hub involvement.
- Specialty pharmacy should accelerate its move to computerization. Specialty pharmacy currently is mired in the antiquated paper-phone-fax processes for prescriptions and PA. Yet specialty medications represent the fastest growing sector in pharmacotherapy. Use of specialty medications was expected to jump by two-thirds in 2015 and account for half of all drug costs by 2016. Since nearly all specialty medications require PA, there is a business case for specialty pharmacies to rapidly move forward with ePrescribing and ePA.
- Physicians should pressure states to adopt uniform ePA requirements. State mandates requiring support of EHR-initiated ePA have begun to appear. Physicians could advocate for related requirements, such as timely responses to PA requests, similar to the prompt payment rules that exist in most states. Wider regulatory requirements will motivate EHR vendors and payers to hasten their development of ePA functionality to meet the rules. [To keep current with the ePA landscape, Point-of-Care partners offers its ePA State Navigator, which is an up-to-date resource for stakeholders of ePA-related developments on a state-by-state basis.]

Point-of-Care Partners has been part of ePrescribing from the beginning and we are experts in PA and ePA. Give us a call or send an e-mail so we can help your organization capitalize on the value of ePA. ●

2 Part 2: Using Health Information Technology to Improve Patient Engagement

By Paul Edge, Senior Consultant

Patient engagement has been on a lot of lips the past few years but has mostly been given lip service. While "patient engagement" solutions are increasing and expected to reach $34 billion in 2023, they have been met with tepid response from both providers and consumers — despite their promise to reduce costs and improve outcomes. Part of the challenge is that the glitz of the technology is obscuring a very simple truth: patient engagement is really about connecting the right people at the appropriate moments. While we are still early in the consumer health information technology (health IT) life cycle, how can we use it to more actively engage patients? How can health IT improve their experiences and outcomes across the continuum of care?

Drivers for change. The need for taking patient engagement to the next level comes at an interesting convergence of legislation, patient demand, payment mechanisms and technological innovation. Drivers for change include:

- **Legislation.** Patient engagement is a necessity for providers and vendors because of two laws. The first, meaningful use (MU), required providers to provide a means for patients to access their health information, which meant that vendor offerings had to comply within certain time frames. Now patient engagement is a mandatory part of MIPS, the Merit-Based Incentive Payment System. Both programs were created to help spur adoption of health IT, cut costs, and improve quality of care and patient outcomes. Patient engagement is viewed as a key piece of those objectives and is one in its own right.
- **On-demand, online society.** Patients are beginning to demand more personalized care and access to information from their providers. After all, consumerization is now a given in daily life. Patients wonder why health care providers can't leverage technology and change their culture to be more like banks (online 24/7 for multiple products and transactions), transportation (Uber and Lyft come to mind), retailing (think Amazon and PeaPod) and travel (such as Groupon, Expedia and even airlines).
- **Access to data.** There is a growing demand for access to patient data. A recent survey found that most people – 87% – said they want to control their health data. This demand for data access is growing among both patients and their caregivers. The latter group is varied and large, as well as increasingly vocal about their need to access patient data. According to estimates, some 65.7 million Americans (or 29% of adults involving 31% of households) serve as family caregivers for an ill or disabled relative. That's not to mention the 5.7 million grandparents who are responsible for the lives and health care of their live-in grandchildren.
- **Move toward value-based reimbursement.** Compared with the rest of the world, the United States (US) spends more on health care but has worse outcomes, according to a report from the Commonwealth Fund. That is among the reasons why there has been a move toward value-based reimbursement in both the public and private sectors. Patient engagement is viewed as a way to enhance the cost-outcome equation. In fact, there is some evidence to suggest that engaged patients experience better health outcomes at lower costs than other patients. As a result, such value-based organizations as accountable care organizations are moving (albeit slowly) toward engaging patients across the continuum of care. They are also beginning to use patient engagement in quality performance and payment metrics.
- **Technology.** The health IT sector is hot for venture capitalists who are investing bigtime in technologies related to patient engagement. A recent analysis

showed the top health IT investment trends in the second quarter of 2016 were related to patient engagement: mobile health ($779 million), data analytics ($234 million), wearable sensors ($129 million), mobile wireless ($75 million) and wellness ($60 million). Resulting disruptive innovations should create cheaper, faster and more efficient ways in which providers can engage patients — and vice versa.

Barriers. On the face of it, patient engagement sounds appealing and simple as a concept. As always, the devil is in the details. Barriers to adoption include:

- **Costs.** Providers are struggling to implement MU, make electronic health records (EHRs) a part of their work flows and realize a return on investment. Most haven't even begun to consider the requirements for MIPS. There are considerable upfront and additional costs inherent in changing over to a patient-centric focus and purchasing the technologies needed to engage patients. However, incentive payments for such activities have dried up and many practices' IT budgets already are maxed out. Business cases are still emerging.

- **Vendor offerings.** For vendors, patient engagement is another chicken-and-egg proposition: if there is demand, they will build to it. Even in the face of mandatory legislative requirements like MU, vendors will not proactively embrace patient engagement unless providers do as well. So far, that hasn't happened. Patient engagement seems to be near the bottom of everyone's to-do list.

- **Technology gaps and usability.** There's patient engagement technology all over the place but adoption is slow. Most providers use portals tethered to EHRs to connect with patients. However, uptake by both groups and patients still is limited. There's no shortage of gimmicky "patient engagement" tools (think Fitbit), but many don't offer any clinically valuable information to providers. The problem may not be the technology so much as usability and value. What's missing is a patient engagement tool that gives providers a very specific purpose that is recognized as valuable both by the patient and the provider and which enables the provider to take proactive action when necessary without having to wade through reams of data. In other words, the technology must make the patient-initiated data actionable.

Six trends to take patient engagement to the next level. Point-of-Care Partners (POCP) believes the following six trends will move the patient engagement needle forward in the near future.

1. **Data analytics.** The rise of new reimbursement models and the massive amount of clinical data contained in EHRs will create a need for data analytics. This structured approach will be essential in helping providers manage patient populations and zero in on individual patients at risk. This will help providers meet their cost and quality targets. At the same time, analyses will help form the backbone of targeted patient engagement strategies.

2. **Improved access to patient data.** As mentioned previously, demand is growing for access to patient data. Stakeholders are beginning to respond. In the private sector, for example, the CommonWell Health Alliance recently announced that eight EHR and portal developers will enable patients at their provider clients to access their health data, allowing them to self-enroll in the network, link their health records from different care providers and view their data across the network. On the public side, the federal Office of the National Coordinator for Health Information Technology (ONC) has been proactive in helping patients gain better online access to their health records. For example, the agency garnered pledges in February from hospital systems and health IT developers to improve consumer access to health records and not block access to data. The latter has been viewed as a problem in the marketplace. All health care organizations pledged to share patient records. ONC hopes for a progress check in the next few months.

3. **Longitudinal view of patient care.** Organizations are moving away from the "one doc, one patient, one disease" model to a world of shared decision making and a longitudinal view of patient care. Health IT and patient engagement will be key to connecting the dots along the continuum of care.

4. **Rise of consumerism.** Expect to see more consumerism in health care. In fact, one organization called 2016 the year of consumerism. Providers are now reorienting toward patients as consumers and emphasizing their connections with community. There are several reasons for this trend. First, providers are taking to heart consumers' demands for convenience and value because they improve care and outcomes. Those are, after all, mission-critical objectives for everyone. Second, they are responding to payers' new reimbursement models linking payments to quality and patient satisfaction. Third, the patient experience has value and can create competitive advantage.

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3 Part 3: Surescripts Issues Its 2015 National Progress Report

By Tony Schueth, Editor-in-Chief

Surescripts recently released its 2015 National Progress Report. It further documents the industry's herculean efforts in the past decade to eliminate the paper prescription pad (for all intents) and deliver essential data to prescribers.

For starters, some 10 billion transactions flowed just through the Surescripts network in 2015. These included 1.4 billion electronic prescriptions for noncontrolled substances — almost a modest 10% increase. Even so, that translates to an average of 3.8 million electronic prescriptions in the US each day, which is more than the 1.4 million Amazon packages shipped daily and Uber's 2 million rides worldwide.

The numbers are indicative of the ubiquity of electronic prescribing (ePrescribing) so far. That said, the last mile will be harder as we begin to address ePrescriptions from the "laggards" — those slow to adopt this not-so-new technology – and dental care, discharge medications, long-term and post-acute care, specialty medications and controlled substances (EPCS).

EPCS was cited in the report as documenting huge growth. Specifically, there was a 667% uptick in EPCS transactions — 12.8 million in 2015 compared with 1.67 million in 2014. Most of that was due to New York's EPCS mandate, which demonstrates that prescribers need a legislative push to move them toward widespread adoption.

The level of success of the Empire State's ePrescribing mandate has emboldened other states to adopt similar legislation; there already are a growing number of state laws and regulations that will require use of EPCS. In addition, the nationwide opioid epidemic is creating interest at the federal and state levels in tools, like EPCS, that can be used to stop overdosing and doctor shopping. (To keep current with these laws and regulations, Point-of-Care Partners offers its ePrescribing Law Review, which is the most succinct yet comprehensive analysis of federal and state rules, regulations and statutes governing electronic prescriptions in all states and the District of Columbia).

In addition, Surescripts routed 1.05 billion medication history transactions, which represents three times the population of the United States. Some 15.28 million clinical messages flowed through the network in 2015. The latter is an example of newer transactions in the Surescripts portfolio.

Despite the progress made so far, opportunities exist in the ePrescribing work flow on which we can capitalize. Take medication reconciliation, for example. As Surescripts highlighted in its report, nonadherence to prescription medication costs the US health care system close to $300 billion per year. Work can be done to promote, streamline and enhance this transaction to encourage wider utilization. Reconciling a patient's medication history is becoming more automated due to requirements under meaningful use. Surescripts announced in early September the launch of a new medication history service to support population health management. The underpinnings of the new solution, prescription data from pharmacy benefit managers/payers and pharmacies, previously existed but have now been consolidated into a single data feed that presents a more cohesive picture of a patient's medication history and adherence to prescribed therapies. It's not necessarily a complete view of a patient's medication history as it is subject to pharmacy and payer participation and typically doesn't include cash pay, but it is an improvement over the claims- or pharmacy-only data.

Looking at complementary transactions and supporting data, we were again surprised to see several others that didn't make the cut. There was no information about the

formulary and benefit (F&B) file, which has been provided by Surescripts since back in the day. There also was nothing about the real-time benefit check (RTBI). This up-and-coming transaction is a value add because of its potential for providing real-time, patient-specific formulary and benefit information at the point of care. Both the F&B and RTBI have implications for curbing costs and, arguably, improving health care by increasing formulary compliance and medication adherence. Research has shown high out-of-pocket costs to be a main reason why patients abandon prescriptions.

Specialty pharmacy also was not included but is an area of huge growth potential, even if the transactions will be minimal. The first reason is because specialty medications are the fastest growing sector in the American health care system. Use of specialty medications is expected to jump by two-thirds in 2015 and account for half of all drug costs by 2016. Secondly, specialty pharmacies are just beginning to consider how to computerize their prescriptions and work flows. These deal almost exclusively with controlled substances and prior authorizations, so EPCS and electronic prior authorization are definitely in their future once specialty pharmacies migrate away from the current paper-phone-fax environment.

All in all, the report highlights the industry's success with ePrescribing, paints a picture of what's still to be done and highlights how related transactions can translate to other areas of health information technology and patient care. Let Point-of-Care Partners help you interpret the data in the report and build it into your work flow and business plan. ●

Finally, patients, themselves, are seeking value for their health care dollar, especially now that millions are purchasing their own insurance and experiencing high — and escalating — out-of-pocket costs. These costs were masked when insurance was more of an employer-paid benefit.

5. **Demand for connectedness.** Consumers are demanding to stay connected with everyone, everywhere, anytime — with technologies customized to their needs and pocketbooks. We must not fall into the trap of thinking that solving the patient engagement problem is all about technology. It's also about meeting consumer expectations of getting and staying connected in an increasingly connected world. Uber is a good, well-known analogy. The company has invested in a lot of technology, but at the end of the day the valuable piece is connecting one person with another at just the right time. The same principle holds true in health care, for which the useful tools and interesting business models will be about connecting patients and providers at the right moments.

6. **Impact of demographics and technology diffusion.** Adoption of patient engagement tools will be impacted by demographics and the normal speed of technology diffusion within a market, which generally takes 10 to 15 years. We are still very early in the availability of consumer health care technology, including patient engagement tools. That means there is room for the market to grow and mature. At the same time, the oldest members of the "Gen Z" generation are beginning to have children, and this generation demands technology to stay connected and engaged. As a result, demographics will move the needle for patient engagement in the long run. Taken together, demographics and technology diffusion will create a sizeable patient engagement market in the future. Estimating the size of the market may be challenging, however. For one thing, there is no single definition of patient engagement, which often is used synonymously with population health. They are related but different: patient engagement is an important piece of population health. That's one reason why the patient engagement market may be underestimated. One analysis puts this at $34 billion in 2023 or only around $100 per person in the US. We think that number is too low and the market potential is considerably greater.

There's no doubt about it. Increased patient engagement facilitated by health IT will continue to change the ways patients and providers interact. Let POCP keep you updated about the latest trends and players in this evolving landscape. ●